

HUNTON & WILLIAMS

707 EAST MAIN STREET P. O. Box 1535

B B & T BUILDING
P. O. BOX 109
RALEIGH, NORTH CAROLINA 27602
919-828-9371

RICHMOND, VIRGINIA 23212

TELEPHONE 804-788-8200

1919 PENNSYLVANIA AVENUE, N. W.
P. O. BOX 19230
WASHINGTON, D. C. 20036
202-223-8650

FIRST VIRGINIA BANK TOWER
P. O. BOX 3889
NORFOLK, VIRGINIA 23514
804-625-5501

AUG 9 1982-2 30 PM

July 30, 1982

FILE NO. 32092.6

DIRECT DIAL NO. 804 788-8562

INTERSTATE COMMERCE COMMISSION
EXPRESS MAIL

13721
REGISTRATION NO. _____ FILED 1982

?-220A114

Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

AUG 9 1982-2 30 PM

No **AUG 9 1982**

Date _____

Fee \$ **60.00**

Q.H.
ICC Washington, D. C.

Attention: Ms. Leonora Davis
Room 2303
Ms Mildred Lee

INTERSTATE COMMERCE COMMISSION

Amendment to Loan and Security Agreement,
North Carolina Deed of Trust,
Secured Promissory Note and Pledge Agreement
Filed Pursuant to Section 20(c) of the
Interstate Commerce Act

Dear Ms. Davis:

Pursuant to your telephone conversation of today's date with James A. Jones, III of this office, please find enclosed herewith for recordation pursuant to Section 20(c) of the Interstate Commerce Act two original executed copies of Amendment to Loan and Security Agreement, North Carolina Deed of Trust, Secured Promissory Note and Pledge Agreement (the Amendment), and two copies of the referenced Loan and Security Agreement.

The parties to the Amendment are:

Maryland National Industrial Finance Corporation
1108 East Main Street
Suite 902
Richmond, Virginia 23219

Service Oil Company
P.O. Box 949, Highway 74 East
Laurinburg, North Carolina 28352

Service Oil Company of Pembroke, Inc.
P.O. Box 949, Highway 74 East
Laurinburg, North Carolina 28352

AUG 9 2 24 PM '82

HUNTON & WILLIAMS

Interstate Commerce Commission

Page Two

July 30, 1982

The Carolinas Domestic Gas Company
P.O. Box 949, Highway 74 East
Laurinburg, North Carolina 28352

Arran Corporation
P.O. Box 8
Laurinburg, North Carolina 28352

The Hajmm Company
P.O. Box 399
Laurinburg, North Carolina 28352

The McSevans Company
P.O. Box 309
Laurinburg, North Carolina 28352

The Amendment creates a security interest in the railroad tank cars of The Carolinas Domestic Gas Company which are described below, by including such cars within the definition of "Collateral" in Section 1.4 of the referenced Loan and Security Agreement.

<u>Year</u>	<u>Description</u>	<u>Serial No.</u>
1966	30,000 gallon tank car	CDGX 201
1966	30,000 gallon tank car	CDGX 202
1966	30,000 gallon tank car	CDGX 203
1973	30,000 gallon tank car	CDGX 204
1973	30,000 gallon tank car	CDGX 205

Enclosed is our firm check in the amount of \$60.00 to cover the required recordation fee. Please accept for recordation one counterpart of the Amendment and one counterpart of the referenced Loan and Security Agreement, stamp the remaining counterpart of each of the documents and the enclosed copy of this letter with your recordation number and return them to me in the self-addressed stamped envelope.

If you have any questions concerning this filing, please call me immediately (collect) at (804) 788-8562.

HUNTON & WILLIAMS

Interstate Commerce Commission
Page Three
July 30, 1982

Thank you for your attention to this matter.

Very truly yours,


Patricia Fentriss Gibb
Legal Assistant

549/672

Enclosures

cc: Mr. Robert C. Brennan
James A. Jones, III, Esquire

AMENDMENT ~~TO~~ LOAN AND SECURITY AGREEMENT,
NORTH CAROLINA DEED OF TRUST, SECURED
PROMISSORY NOTE AND PLEDGE AGREEMENT

Maryland National Industrial
Finance Corporation
1108 East Main Street
Suite 902
Richmond, Virginia 23219

Dated as of June 1, 1982

13721/A
RECORDED - 13721 FILED 103

AUG 9 1982 - 2 50 PM

Gentlemen:

INTERSTATE COMMERCE COMMISSION

Reference is made to the Loan and Security Agreement, between you and certain of us dated January 18, 1980 (the "Loan Agreement"), the North Carolina Deed of Trust from certain of us to John E. Raper as Trustee dated January 18, 1980 which is referred to in the Loan Agreement (the "Deed of Trust"), the Secured Promissory Note made by certain of us dated January 18, 1980 referred to in the Deed of Trust (the "Term Note"), the Pledge Agreement between you and certain of us dated January 18, 1980 (the "Pledge Agreement"), the Guarantys dated January 18, 1980 by certain of us of Service Oil Company's obligations under the Loan Agreement and the Term Note (the "Guarantys"), and the Closing Certificate dated January 18, 1980 executed by certain of us in connection with the delivery of the aforementioned documents (the "Closing Certificate").

1. We have requested that you loan Service Oil Company \$100,000 in excess of the credit line established in Section 3.1 of the Loan Agreement until July 23, 1982, and you have agreed to make such \$100,000 overadvance in consideration for our agreement to grant you a security interest in five rail tank cars owned by The Carolina Domestic Gas Company our now-owned and hereafter acquired equipment and fixed assets not previously pledged to you.

2. Section 3.1 of the Loan Agreement is hereby amended by adding the following sentence to the end of such Section:

"In addition, you hereby agree to make loans and advances aggregating \$100,000 at any one time outstanding in excess of the formula set forth above until July 23, 1982, all of which shall be payable upon demand at your office referred to above.

3. Section 1.4 of the Loan Agreement is hereby amended to include within the definition of "Collateral" (i) all of our now-owned or hereafter acquired equipment, (ii) all of our now-owned or hereafter acquired fixed assets, including the fixtures attached to the real estate referred to in the Deed of Trust, (iii) the following railroad tank cars owned by The Carolina Domestic Gas Company:

<u>Year</u>	<u>Description</u>	<u>Serial No.</u>
1966	30,000 gallon tank car	CDGX 201
1966	30,000 gallon tank car	CDGX 202
1966	30,000 gallon tank car	CDGX 203
1973	30,000 gallon tank car	CDGX 204
1973	30,000 gallon tank car	CDGX 205

; and the proceeds of the foregoing (i), (ii) and (iii).

4. The Deed of Trust is amended in accordance with the First Supplemental Deed of Trust attached hereto as Exhibit A.

5. The Pledge Agreement is hereby amended to include the overadvance and related charges as one of the obligations secured by the Pledge Agreement.

6. The Closing Certificate is true and correct as if made on the date of this Agreement and as if the reference date referred to in paragraphs 2 and 3 of such Certificate was the date of Service Oil Company's latest audited balance sheet which you have reviewed.

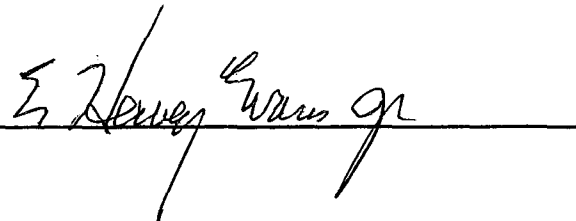
7. Except as herein and heretofore amended, the Loan Agreement, the Deed of Trust, the Term Note and the Pledge Agreement will continue in full force and effect as therein provided.

8. This Agreement shall be effective with respect to each party immediately upon such party's execution of this Agreement.

9. This Agreement may be executed in one or more counterparts.

SERVICE OIL COMPANY

By



Attest:


Secretary

(Corporate Seal)



SERVICE OIL CO. OF PEMBROKE, INC.

By E. Hervey Evans Jr

Attest:

C. M. Williams
Secretary
(Corporate Seal)

THE CAROLINAS DOMESTIC GAS
COMPANY

By E. Hervey Evans Jr

Attest:

C. M. Williams
Secretary
(Corporate Seal)

ARRAN CORPORATION

By M. J. Harris

Attest:

E. Hervey Evans Jr
Secretary
(Corporate Seal)

THE HAJMM COMPANY

By: M. J. Harris
By: E. Hervey Evans Jr

By: E. Hervey Evans Jr

By: E. Hervey Evans (SEAL)
E. Hervey Evans

By: Carolyn C. Evans (SEAL)
Carolyn C. Evans

THE McSEVANS COMPANY

By: Estate of E. Hervey Evans,
Sr.

E. Hervey Evans Jr
E. Hervey Evans, Jr., Executor

Murphy Evans
Murphy Evans, Executor

McNair Evans
McNair Evans, Executor

By: Anne B. Evans (SEAL)
Anne B. Evans

By: E. Hervey Evans Jr (SEAL)
E. Hervey Evans

By: McNair Evans (SEAL)
McNair Evans

By: Murphy Evans (SEAL)
Murphy Evans

By: Helen W. Evans (SEAL)
Helen W. Evans

By: John J. McIver (SEAL)
John J. McIver

By: Ann E. McIver (SEAL)
Ann E. McIver

By: John B. Evans (SEAL)
John B. Evans

By: Murphy Evans, John B. (SEAL)
Evans' Attorney-in-Fact

Accepted in Richmond, Virginia
this 21 day of January, 1981 July
by J. Drexel Knight
J. Drexel Knight
Address: Maryland National Industrial
Finance Corporation
1108 East Main Street
Suite 902
Richmond, Virginia 23219

FIRST SUPPLEMENTAL DEED OF TRUST

This First Supplemental Deed of Trust dated as of June 1, 1982, by SERVICE OIL COMPANY, a North Carolina corporation, THE CAROLINAS DOMESTIC GAS COMPANY, a North Carolina corporation, SERVICE OIL COMPANY OF PEMBROKE, INC., a North Carolina corporation, THE HAJMM COMPANY, a North Carolina partnership, E. HERVEY EVANS, JR. and wife, CAROLYN C. EVANS, of Scotland County, North Carolina, hereinafter collectively called "Grantor," to JOHN E. RAPER, JR., hereinafter called "Trustee," for the benefit of MARYLAND NATIONAL INDUSTRIAL FINANCE CORPORATION, hereinafter called "Beneficiary";

WHEREAS, the Grantors to secure various indebtedness to Beneficiary have heretofore executed its North Carolina Deed of Trust dated as of January 18, 1980 to the Trustee (the "Original Deed of Trust"); and

WHEREAS, the corporate Grantors have heretofore issued their Secured Promissory Note in the principal amount of \$250,000 dated January 18, 1980 (the "Term Note"); and

WHEREAS, the corporate Grantors and the Beneficiary have amended the Loan Agreement in certain respects by Agreement dated as of June 1, 1982 to increase the principal amount of the aggregate indebtedness at any one time outstanding under the Loan and Security Agreement between the Grantors and the Beneficiary dated January 18, 1980 and the Term Note (the "Existing Loan Obligations");

The Original Deed of Trust is hereby amended and supplemented by eliminating in its entirety the third and fourth paragraphs on the first page of such Original Deed of Trust which begins with the words "WITNESSETH" and "NOW, THEREFORE," respectively, and substituting in its place the following:


BB "WITNESSETH, That where as the Grantor is currently indebted to the Beneficiary in the principal sum of (i) \$584,133.83, pursuant to Loan and Security Agreement dated January 18, 1980, as amended by Amendment dated as of June 1, 1982 (the "Loan Agreement"), under which the Beneficiary has agreed to make present and future advances of principal up to \$800,000 in aggregate principal amount outstanding at any one time, and (ii) \$193,750 in principal amount under a Secured Promissory Note of Service Oil Company dated January 18, 1981 in the original principal amount of \$250,000. The amounts owing under the Loan Agreement are payable on demand and the final due date for payment of the Secured Note is February 1, 1985.

NOW, THEREFORE, as security for the present and future indebtedness referred to in the preceding paragraph of the Grantor to the Beneficiary and a valuable consideration, the Grantor has bargained, sold, given, granted and conveyed and does by these presents bargain, sell, give, grant and convey to the Trustee, his heirs, or successors, and assigns, the parcels of land more particularly described in Schedule I attached hereto."

The Original Deed of Trust and this First Supplemental Deed of Trust shall be read, taken and construed as one and the same instrument. Except as hereby specifically amended or modified, all covenants and provisions of the Original Deed of Trust shall continue in full force and effect and this First Supplemental Deed of Trust shall form a part of the Original Deed of Trust and the terms and conditions of this First Supplemental Deed of Trust shall be and be deemed to be, part of the terms and conditions of the Original Deed of Trust.

IN WITNESS WHEREOF, the Grantors have hereunto set their hands and seals, or if corporate, have caused this instrument to be signed in their corporate names by their duly authorized officers and their seals to be hereunto affixed by authority of their Board of Directors, the day and year first above written.

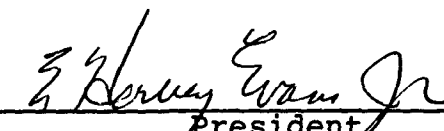
ATTEST:


Secretary


(CORPORATE SEAL)

SERVICE OIL COMPANY

By:


President

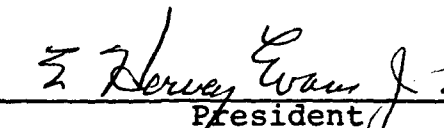
ATTEST:


Secretary

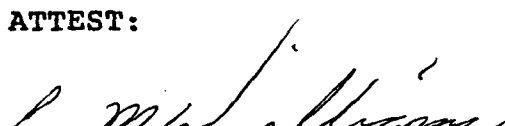
(CORPORATE SEAL)

THE CAROLINAS DOMESTIC GAS
COMPANY

By:


President


ATTEST:


Secretary

(CORPORATE SEAL)

SERVICE OIL COMPANY OF PEMBROKE,
INC.

By:


President

ATTEST:

E. Hervey Evans Jr.
Secretary

(CORPORATE SEAL)

ARRAN CORPORATION

By: M. M. Himm
President

THE HAJMM COMPANY

By: M. M. Himm
General Partner

By: [Signature]
General Partner

By: E. Hervey Evans Jr.
General Partner

E. Hervey Evans Jr. (SEAL)
E. Hervey Evans, Jr.

Carolyn C. Evans (SEAL)
Carolyn C. Evans

NORTH CAROLINA

SCOTLAND COUNTY

I, Billie H. Gibson, a Notary Public of said County, hereby certify that C. M. Williams personally appeared before me this day and acknowledged that he is Secretary of Service Oil Company, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

WITNESS my hand and Notarial Seal, this 15th day of July, 1982.

Billie H. Gibson
Notary Public

My Commission Expires:

April 9, 1986

NORTH CAROLINA

SCOTLAND COUNTY

I, Billie H. Gibson, a Notary Public of said County, hereby certify that C. M. Williams personally appeared before me this day and acknowledged that he is Secretary of The Carolinas Domestic Gas Company, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

WITNESS my hand and Notarial Seal, this 15th day of July, 1982.

Billie H. Gibson
Notary Public

My Commission Expires:

April 9, 1986

NORTH CAROLINA

SCOTLAND COUNTY

I, Billie H. Gibson, a Notary Public of said County, hereby certify that C. M. Williams personally appeared before me this day and acknowledged that he is Secretary of Service Oil Company of Pembroke, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

WITNESS my hand and Notarial Seal, this 15th day of July, 1982.

Billie H. Gibson
Notary Public

My Commission Expires:

April 9, 1986

NORTH CAROLINA

SCOTLAND COUNTY

I, Billie H. Gibson, a Notary Public of said County, hereby certify that E. Hervey Evans, Jr. personally appeared before me this day and acknowledged that he is Secretary of Arran Corporation, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

WITNESS my hand and Notarial Seal, this 15th day of July, 1982.

Billie H. Gibson
Notary Public

My Commission Expires:

April 9, 1986

NORTH CAROLINA

SCOTLAND COUNTY

I, Billie H. Gibson, a Notary Public of said County, hereby certify that McNair Evans, Murphy Evans and E. Hervey Evans, Jr., General Partners of The Hajmm Company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this 15th day of July, 1982.

Billie H. Gibson
Notary Public

My Commission Expires:

April 9, 1986

NORTH CAROLINA

SCOTLAND COUNTY

I, Billie H. Gibson, a Notary Public of said County, hereby certify that E. Hervey Evans, Jr. and wife, Carolyn C. Evans, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this 15th day of July, 1982.

Billie H. Gibson
Notary Public

My Commission Expires:

April 9, 1986

TRACT I

That certain tract or parcel of land more particularly described in a deed from Ted R. Tyner and wife, Marcello Odum Tyner, to Service Oil Company, Incorporated, dated May 15, 1961, and recorded in Book 13-Q, page 265, Robeson County Public Registry.

TRACT II

That certain tract or parcel of land more particularly described in a deed from John Russ and wife, Lilly Mae Russ, to Service Oil Company, dated September 16, 1940, and recorded in Book W, page 323, Scotland County Public Registry.

TRACT III

That certain tract or parcel of land more particularly described in a deed from Peter D. McIntosh, et al. to Service Oil Company, dated June 7, 1945, and recorded in Book 2-A, page 257, Scotland County Public Registry.

TRACT IV

That certain tract or parcel of land more particularly described in a deed from W. G. Shaw, Jr. and wife, Ann Winborne Shaw, to Service Oil Company, dated November 5, 1970, and recorded in Book 5-X, page 277, Scotland County Public Registry.

TRACT V

That certain tract or parcel of land more particularly described in a deed from Edwin Pate and wife, Marie W. Pate, to Service Oil Company, dated April 4, 1942, and recorded in Book 10-E, page 298, Robeson County Public Registry.

TRACT VI

Beginning at a point in the western right-of-way margin of Highway #130, the southeastern corner of Lot No. 5, and running thence for a first call South 80 degrees 15 minutes West 186.1 feet to a point, the southwestern corner of Lot N. 5; North 2 degrees 06 minutes West 383.30 feet to a point, the northwestern corner of Lot No. 7; thence North 80 degrees 15 minutes East 134.8 feet, the northeastern corner of Lot No. 7; thence South 9 degrees 45 minutes East 380 feet to the point of Beginning; and being all of Lots Nos. 5, 6 and 7 according to a "Map of Lots - Alfordsville Township, Robeson County, N.C., Owned by Service Oil Co., Inc." prepared by Samuel N. Cribb, R.S., and dated December 14, 1973; and being a portion of those certain tracts or parcels of land more particularly described in a deed from Prather Strickland and wife, Ruthie Jane Strickland, to Service Oil Company, Inc., dated December 15, 1965, and recorded in Book 15-M, page 56, Robeson County Public Registry.

TRACT VII

Those certain tracts or parcels of land more particularly described in a deed from H. S. Quick and wife, Stella Quick, to Service Oil Company, dated May 19, 1949, and recorded in Book 2-F, page 203, Scotland County Public Registry.

TRACT VIII

That certain tract or parcel of land more particularly described in a deed from State Capital Life Insurance Company to Service Oil Company, Incorporated, dated September 15, 1961, and recorded in Book 3-Q, page 195, Scotland County Public Registry.

TRACT IX

That certain tract or parcel of land more particularly described in a deed from Herbert M. Gibson and wife, Margaret S. Gibson, to E. Hervey Evans, Jr. and wife, Carolyn C. Evans, dated April 16, 1960, and recorded in Book 3-I, page 309, Scotland County Public Registry.

TRACT X

That certain tract or parcel of land more particularly described in a deed from Laurinburg & Southern Railroad Company to Erasmus Hervey Evans, Jr., et al., dated September 4, 1975, and recorded in Book 6-Z, page 509, Scotland County Public Registry.

TRACT XI

That certain tract or parcel of land more particularly described as the "Carolinas Domestic Gas Co. building" in a deed from E. Hervey Evans and wife, Anne B. Evans, to the Arran Corporation, dated February 1, 1965, and recorded in Book 4-K, page 221, Scotland County Public Registry, and more particularly described as follows:

Lying on the south side of U. S. Highway 74 leading from Laurinburg, N. C. to Maxton, N. C. BEGINNING at a concrete monument in the southern right-of-way line of said highway, the northeast corner of the Service Oil Company land, and runs thence with the southern right-of-way line of said highway South 64 degrees 20 minutes East 150 feet to a concrete monument in said southern right-of-way line; thence South 25 degrees 40 minutes West 578.8 feet to a concrete monument set in a field; thence North 64 degrees 20 minutes West 150 feet to a concrete monument, the southeast corner of the Service Oil Company land; thence with the line of the Service Oil Company, a line of Laurinburg and Southern Railroad land, and another line of the Service Oil Company North 25 degrees 40 minutes East 578.8 feet to the beginning corner, containing 1.992 acres more or less, as surveyed by Frederick Pate, Registered Surveyor, on December 27, 1963.

THIS CONVEYANCE IS MADE SUBJECT to a 50-foot right-of-way conveyed to the Laurinburg and Southern Railroad Company for railroad purposes only, across said land, described as follows: BEGINNING at a concrete monument at the southeast corner of the Service Oil Company land, and runs thence South 64 degrees 20 minutes East 150 feet to an iron stake; thence South 25 degrees 40 minutes West 50 feet to an iron stake; thence North 64 degrees 20 minutes West 150 feet to the northeast corner of the Service Oil Company land and the southeast corner of the Laurinburg and Southern Railroad Company land; thence with the Laurinburg and Southern Railroad Company's line North 25 degrees 40 minutes East 50 feet to the beginning corner, containing 0.172 of an acre more or less, as surveyed by Frederick Pate, Registered Surveyor on December 27, 1963.

TRACT XII

Those certain tracts or parcels of land more particularly described in a deed from The Mountain Retreat Association to The Hajmm Company, dated July 22, 1955, and recorded in Book 761, page 556, Buncombe County Public Registry.

TO HAVE AND TO HOLD said real property with all privileges and appurtenances thereunto belonging, to the said Trustee, his heirs, successors, and assigns forever, upon the trusts, terms and conditions, and for the uses hereinafter set forth.

SATISFACTION: The debt secured by the within Deed of Trust together with the note(s) secured thereby has been satisfied in full.

This the _____ day of _____, 19_____

Signed: _____

Recording: Time, Book and Page

Tax Lot No. _____ Parcel Identifier No. _____

Verified by _____ County on the _____ day of _____, 19_____

by _____

Mail after recording to _____

This instrument was prepared by _____

Brief description for the Index

NORTH CAROLINA DEED OF TRUST

THIS DEED of TRUST made this _____ day of _____, 19_____, by and between:

SERVICE OIL COMPANY, a North Carolina corporation; THE CAROLINAS DOMESTIC GAS COMPANY, a North Carolina corporation; SERVICE OIL COMPANY OF PEMBROKE, INC., a North Carolina corporation; ARRAN CORPORATION, a North Carolina corporation; THE HAJMM COMPANY, a North Carolina partnership; and E. HERVEY EVANS, JR. and wife, CAROLYN C. EVANS, of Scotland County, North Carolina, hereinafter collectively called "Grantor"; JOHN E. RAPER, JR., hereinafter called "Trustee"; and MARYLAND NATIONAL INDUSTRIAL FINANCIAL CORPORATION, hereinafter called "Beneficiary";

The designation Grantor, Trustee and Beneficiary as used herein shall include said parties, their heirs, successors and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, That whereas the Grantor is indebted to the Beneficiary in the principal sum of Five Hundred Thousand and 00/100 Dollars (\$500,000.00), as evidenced by a Loan and Security Agreement, and Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00), as evidenced by a Secured Promissory Note, both of even date herewith, the terms of which are incorporated herein by reference. The final due date for payment of said Loan and Security Agreement and Secured Promissory Note, if not sooner paid, is February 1, 1985.

NOW, THEREFORE, as security for said debt and a valuable consideration, receipt of which is hereby acknowledged, the Grantor has bargained, sold, given, granted and conveyed and does by these presents bargain, sell, give, grant and convey to said Trustee, his heirs, or successors, and assigns, the parcels of land more particularly described as follows:

TRACT I

That certain tract or parcel of land more particularly described in a deed from Ted R. Tyner and wife, Marcello Odum Tyner, to Service Oil Company, Incorporated, dated May 15, 1961, and recorded in Book 13-Q, page 265, Robeson County Public Registry.

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TRACT VI

Beginning at a point in the western right-of-way margin of Highway #130, the southeastern corner of Lot No. 5, and running thence for a first call South 80 degrees 15 minutes West 186.1 feet to a point, the southwestern corner of Lot N. 5; North 2 degrees 06 minutes West 383.30 feet to a point, the northwestern corner of Lot No. 7; thence North 80 degrees 15 minutes East 134.8 feet, the northeastern corner of Lot No. 7; thence South 9 degrees 45 minutes East 380 feet to the point of Beginning; and being all of Lots Nos. 5, 6 and 7 according to a "Map of Lots - Alfordsville Township, Robeson County, N.C., Owned by Service Oil Co., Inc." prepared by Samuel N. Cribb, R.S., and dated December 14, 1973; and being a portion of those certain tracts or parcels of land more particularly described in a deed from Prather Strickland and wife, Ruthie Jane Strickland, to Service Oil Company, Inc., dated December 15, 1965, and recorded in Book 15-M, page 56, Robeson County Public Registry.

TRACT VII

Those certain tracts or parcels of land more particularly described in a deed from H. S. Quick and wife, Stella Quick, to Service Oil Company, dated May 19, 1949, and recorded in Book 2-F, page 203, Scotland County Public Registry.

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Lying on the south side of U. S. Highway 74 leading from Laurinburg, N. C. to Maxton, N. C. BEGINNING at a concrete monument in the southern right-of-way line of said highway, the northeast corner of the Service Oil Company land, and runs thence with the southern right-of-way line of said highway South 64 degrees 20 minutes East 150 feet to a concrete monument in said southern right-of-way line; thence South 25 degrees 40 minutes West 578.8 feet to a concrete monument set in a field; thence North 64 degrees 20 minutes West 150 feet to a concrete monument, the southeast corner of the Service Oil Company land; thence with the line of the Service Oil Company, a line of Laurinburg and Southern Railroad land, and another line of the Service Oil Company North 25 degrees 40 minutes East 578.8 feet to the beginning corner, containing 1.992 acres more or less, as surveyed by Frederick Pate, Registered Surveyor, on December 27, 1963.

THIS CONVEYANCE IS MADE SUBJECT to a 50-foot right-of-way conveyed to the Laurinburg and Southern Railroad Company for railroad purposes only, across said land, described as follows: BEGINNING at a concrete monument at the southeast corner of the Service Oil Company land, and runs thence South 64 degrees 20 minutes East 150 feet to an iron stake; thence South 25 degrees 40 minutes West 50 feet to an iron stake; thence North 64 degrees 20 minutes West 150 feet to the northeast corner of the Service Oil Company land and the southeast corner of the Laurinburg and Southern Railroad Company land; thence with the Laurinburg and Southern Railroad Company's line North 25 degrees 40 minutes East 50 feet to the beginning corner, containing 0.172 of an acre more or less, as surveyed by Frederick Pate, Registered Surveyor on December 27, 1963.

TRACT XII

Those certain tracts or parcels of land more particularly described in a deed from The Mountain Retreat Association to The Hajmm Company, dated July 22, 1955, and recorded in Book 761, page 556, Buncombe County Public Registry.

TO HAVE AND TO HOLD said real property with all privileges and appurtenances thereunto belonging, to the said Trustee, his heirs, successors, and assigns forever, upon the trusts, terms and conditions, and for the uses hereinafter set forth.

If the Grantor shall pay the Loan and Security Agreement and Secured Promissory Note secured hereby in accordance with its terms, together with interest thereon, and any renewals or extensions thereof in whole or in part, and shall comply with all of the covenants, terms, and conditions of this deed of trust, then this conveyance shall be null and void and may be cancelled of record at the request of the Grantor. If, however, there shall be any default in any of the covenants, terms, or conditions of the Loan and Security Agreement and/or the Secured Promissory Note secured hereby, or any failure or neglect to comply with the covenants, terms, or conditions contained in this deed of trust, then and in any of such events, if the default is not made good within fifteen (15) days, the Loan and Security Agreement and Secured Promissory Note shall, at the

option of the Beneficiary, at once become due and payable without notice, and it shall be lawful for and the duty of the Trustee, upon request of the Beneficiary, to sell the land herein conveyed at public auction for cash, after having first given such notice of hearing as to commencement of foreclosure proceedings and obtained such findings or leave of court as may be then required by law and giving such notice and advertising the time and place of such sale in such manner as may be then provided by law, and upon such and any resales and upon compliance with the then law relating to foreclosure proceedings to convey title to the purchaser in fee simple.

The proceeds of the Sale shall after the Trustee retains his commission be applied to the costs of sale, the amount due on the Loan and Security Agreement and Secured Promissory Note hereby secured and otherwise as required by the then existing law relating to foreclosures. The Trustee's commission shall be five percent of the gross proceeds of the sale for a completed foreclosure. In the event foreclosure is commenced, but not completed, the Grantor shall pay all expenses incurred by Trustee and a partial commission computed on five percent of the outstanding indebtedness in accordance with the following schedule, to wit: one-fourth thereof before the Trustee issues a notice of hearing on the right to foreclose; one-half thereof after issuance of said notice; three-fourths thereof after such hearing; and the greater of the full commission or minimum after the initial sale.

And the said Grantor does hereby covenant and agree with the Trustee as follows:

1. INSURANCE. Grantor shall keep all improvements on said land, now or hereafter erected, constantly insured for the benefit of the Beneficiary against loss by fire, windstorm and such other casualties and contingencies, in such manner and in such companies and for such amounts, not exceeding that amount necessary to pay the sum secured by this deed of trust, and as may be satisfactory to the Beneficiary. Grantor shall purchase such insurance, pay all premiums therefor, and shall deliver to Beneficiary such policies along with evidence of premium payment as long as the Loan and Security Agreement and Secured Promissory Note secured hereby remain unpaid. If Grantor fails to purchase such insurance, pay the premiums therefor or deliver said policies along with evidence of payment of premiums thereon, then Beneficiary, at his option may purchase such insurance. Such amounts paid by Beneficiary shall be added to the Loan and Security Agreement and Secured Promissory Note secured by this Deed of Trust, and shall be due and payable upon demand by Grantor to Beneficiary.

2. TAXES, ASSESSMENTS, CHARGES. Grantor shall pay all taxes, assessments and charges as may be lawfully levied against said premises within thirty (30) days after the same shall become due. In the event that Grantor fails to so pay all taxes, assessments and charges as herein required, then Beneficiary, at his option, may pay the same and the amount so paid shall be added to the Loan and Security Agreement and Secured Promissory Note secured by this Deed of Trust, and shall be due and payable upon demand by Grantor to Beneficiary.

3. PARTIAL RELEASE. Grantor shall not be entitled to the partial release of any of the above described property, unless a specific provision providing therefor is included in this Deed of Trust. In the event a partial release provision is included in this Deed of Trust, Grantor must strictly comply with the terms thereof. Notwithstanding anything herein contained, Grantor shall not be entitled to any release of property unless Grantor is not in default and is in full compliance with all of the terms and provisions of the Loan and Security Agreement and Secured Promissory Note, this Deed of Trust, and any other instrument that may be securing said Loan and Security Agreement and Secured Promissory Note.

4. WASTE. The Grantor covenants that he will keep the premises herein conveyed in as good order, repair and condition as they are now, reasonable wear and tear excepted, and that he will not commit or permit any waste.

5. WARRANTIES. Grantor covenants with Trustee and Beneficiary that he is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable, and that he will warrant and defend the title against the lawful claims of all persons whomsoever, except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to such recorded and unrecorded liens as may be applicable to the property at the time of recordation of this deed of trust.

6. SUBSTITUTION OF TRUSTEE. Grantor and Trustee covenant and agree to and with Beneficiary that in case the said Trustee, or any successor trustee, shall die, become incapable of acting, renounce his trust, or for other similar or dissimilar reason become unacceptable to the holder of the Loan and Security Agreement and Secured Promissory Note may appoint, in writing, a trustee to take the place of the Trustee; and upon the probate and registration of the same, the trustee thus appointed shall succeed to all the rights, powers, and duties of the Trustee.

7. CIVIL ACTION. In the event that the Trustee is named as a party to any civil action as trustee in this Deed of Trust, the Trustee shall be entitled to employ an attorney at law, including himself if he is a licensed attorney, to represent him in said action and the reasonable attorney's fees of the Trustee in such action shall be paid by Beneficiary and charged to the Loan and Security Agreement and Secured Promissory Note and secured by this Deed of Trust.

8. PRIOR LIENS. Default under the terms of any instrument secured by a lien to which this deed of trust is subordinate shall constitute default hereunder.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

SERVICE OIL COMPANY

ATTEST:

Secretary

(CORPORATE SEAL)

By: _____
President

THE CAROLINAS DOMESTIC GAS COMPANY

ATTEST:

Secretary

(CORPORATE SEAL)

By: _____
President

SERVICE OIL COMPANY OF PEMBROKE, INC.

ATTEST:

Secretary

(CORPORATE SEAL)

By: _____
President

ARRAN CORPORATION

ATTEST:

Secretary
(CORPORATE SEAL)

By: _____
President

THE HAJMM COMPANY

By: _____
General Partner

By: _____
General Partner

By: _____
General Partner

E. HERVEY EVANS, JR. (SEAL)

CAROLYN C. EVANS (SEAL)

NORTH CAROLINA

SCOTLAND COUNTY

I, _____, a Notary Public of said County, hereby certify that _____ personally appeared before me this day and acknowledged that he is Secretary of Service Oil Company, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

WITNESS my hand and Notarial Seal, this _____ day of _____, 1980.

Notary Public

My Commission Expires:

NORTH CAROLINA

SCOTLAND COUNTY

I, _____, a Notary Public of said County, hereby certify that _____ personally appeared before me this day and acknowledged that he is Secretary of The Carolinas Domestic Gas Company, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

WITNESS my hand and Notarial Seal, this _____ day of _____, 1980.

Notary Public

My Commission Expires:

NORTH CAROLINA

SCOTLAND COUNTY

I, _____, a Notary Public of said County, hereby certify that _____ personally appeared before me this day and acknowledged that he is Secretary of Service Oil Company of Pembroke, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

WITNESS my hand and Notarial Seal, this _____ day of _____, 1980.

Notary Public

My Commission Expires:

NORTH CAROLINA

SCOTLAND COUNTY

I, _____, a Notary Public of said County, hereby certify that _____ personally appeared before me this day and acknowledged that he is Secretary of Arran Corporation, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself as its Secretary.

WITNESS my hand and Notarial Seal, this _____ day of _____, 1980.

Notary Public

My Commission Expires:

NORTH CAROLINA

SCOTLAND COUNTY

I, _____, a Notary Public of said County, hereby certify that _____ and _____, General Partners of The Hajmm Company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this _____ day of _____, 1980.

Notary Public

My Commission Expires:

NORTH CAROLINA

SCOTLAND COUNTY

I, _____, a Notary Public of said County, hereby certify that E. Hervey Evans, Jr. and wife, Carolyn C. Evans, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this _____ day of _____, 1980.

Notary Public

My Commission Expires;

EXHIBIT F

SECURED PROMISSORY NOTE

\$250,000

SERVICE OIL COMPANY, THE CAROLINAS DOMESTIC GAS COMPANY and SERVICE OIL COMPANY OF PEMBROKE, INC., all North Carolina corporations (the "Companies"), for value received, hereby promise jointly and severally to pay MARYLAND NATIONAL INDUSTRIAL FINANCE CORPORATION ("MNIFC"), its successors or assigns, the principal amount of Two Hundred and Fifty Thousand Dollars (\$250,000), such principal amount to be paid in 59 consecutive monthly payments of \$4,199 on the first day of each month beginning February 1, 1980, with a final payment of \$4,259 due on February 1, 1985, with interest on the unpaid principal amount of this Note at a rate computed in accordance with the provisions of subparagraphs 3.2 and 3.3 of the Loan and Security Agreement, dated January 18, 1980, among MNIFC, the Companies and others (the "Loan Agreement"), payable monthly beginning on _____ until the principal shall have been paid. Both principal and interest are payable at MNIFC's office in Richmond, Virginia, in coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts.

This Note was issued pursuant to the Loan Agreement and is entitled to the benefits thereof and the Deed of Trust (as such term is defined in the Loan Agreement), a certain pledge agreement, dated January 18, 1980, between The McSevans Company and MNIFC, and certain Guaranties, dated January 18, 1980, of the partners of The McSevans Company.

This Note may not be prepaid without the prior written consent of MNIFC.

Under certain circumstances, as specified in the Loan Agreement, the principal of this Note may be declared due and payable in the manner and with the effect provided in the Loan Agreement.

The Companies hereby (1) waive presentment, demand, protest and notice of dishonor and protest; and (2) agree to pay all expenses incurred in collecting this Note, including a 15% attorney's fee, in case this Note shall not be paid at maturity or when declared due and payable as provided herein.

This Note shall be governed by and construed and enforced in accordance with the law (including the conflict of laws rules) of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the Companies have caused this Note to be duly executed by its President and its corporate seal to be affixed hereto and attested by its Secretary.

SERVICE OIL COMPANY

Dated: January _____, 1980

(Corporate Seal Affixed)

By: _____
E. Hervey Evans, Jr.
President

Attest:

Secretary

THE CAROLINAS DOMESTIC GAS
COMPANY

By: _____

President

(Corporate Seal Affixed)

Attest:

Secretary

SERVICE OIL COMPANY OF PEMBROKE,
INC.

By: _____

President

(Corporate Seal Affixed)

Attest:

Secretary

EXHIBIT G

APPOINTMENT OF AGENT
FOR SERVICE OF PROCESS

IN CONSIDERATION of loans and other extensions of credit made and to be made by MARYLAND NATIONAL INDUSTRIAL FINANCE CORPORATION, a Maryland corporation (hereinafter called Maryland National), to Service Oil Company, Service Oil Co. of Pembroke, Inc., and The Carolinas Domestic Gas Company, North Carolina corporations (collectively the "Borrower"), the Borrower hereby appoints John S. Davenport, III, F. Elmore Butler, and Angus H. Macauley, or any one of them, its agents and attorneys-in-fact to accept service of legal process in Virginia on its behalf in any actions, suits or other legal proceedings brought in any state or federal court in Virginia relating to any such loans or extensions of credit. Such agents hereby agree to accept any such service of process and to transmit the same promptly to the Borrower at Highway #74 East, P.O. Box 949, Laurinburg, North Carolina 28352 or at such other address which shall be designated in writing by the Borrower.

This appointment shall be deemed to be an agency coupled with an interest and shall be irrevocable, except that it may be revoked at any time that no loan or extension of credit by Maryland National to the Borrower is outstanding or in dispute and Maryland National is under no obligation to make any such loan or extension of credit. Revocation shall be effective only upon written notice of revocation having been accepted in writing by Maryland National and having been delivered to the agents named herein.

IN WITNESS WHEREOF, Service Oil Company, Service Oil Co. of Pembroke, Inc., and The Carolinas Domestic Gas Company, have caused their names and seals to be affixed by their officers duly authorized by their board of directors, and the agents herein have set their hands and seals all as of the 18 day of January, 1980.

SERVICE OIL COMPANY

By E. Hervey Evans, Jr.
President

Attest:

Charles M. McNamee
Secretary

SERVICE OIL CO. OF PEMBROKE, INC.

By E. Hervey Evans, Jr.
President

Attest:

Charles M. McNamee
Secretary

THE CAROLINAS DOMESTIC GAS COMPANY

By E. Hervey Evans, Jr.
President

Attest:

Charles M. McNamee
Secretary